

October, 1941

BURLAP -- ITS IMPORTANCE TO AMERICAN FARMERS

Reserve

The effects of the war abroad on shipping and the all-out defense effort at home have created a serious problem regarding the supply of fabric containers used in the packing of commodities bought or sold by farmers.

Such containers are normally manufactured from burlap or cotton materials. The larger proportion, probably 60 percent, are usually made of burlap.

The United States is entirely dependent on imports for its supply of burlap which originates almost exclusively in India. About 80 percent of our total burlap imports goes into the making of bags. About three-fourths of the burlap bags manufactured in this country are used to package commodities which farmers buy or sell. Almost 200 million yards more are used annually in the manufacture of bags for such items as sugar, flour, chemicals, starch, salt, and miscellaneous commodities.

The price and supply of burlap are of primary importance to agriculture. Virtually every farmer in the United States comes into daily contact, either directly or indirectly, with burlap and other rough fabric materials used in packaging; many of the foods he buys and the produce he sells, the concentrated feed for his livestock, and the various forms of fertilizer for his soil, to name only a few, are usually packaged in burlap and other fabric containers.

The 1939-40 average of burlap used in sales or purchases by farmers totaled about 459 million yards. This yardage included bags for the following commodities:

Feed	Soybean meal
Potatoes	Wheat
Fertilizers	Beans
Rice	Seeds
Meal, corn and linseed	Oats
Miscellaneous agricultural and food products	

In addition to the normal burlap demands by agriculture there has been an expanded use in the packaging for military use of foods, certain chemicals, concrete, and other articles, as well as for the packing of many items shipped abroad under the Lend-Lease Act.

While the Indian supply of jute or burlap is at record levels, the war has made it extremely difficult to count on imports from India to meet our needs. Agriculture as the largest user, either directly or indirectly, of burlap, has a vital stake in any situation which may result in a burlap shortage.

During the past 3 years, burlap prices have increased. For instance, in July 1939, the wholesale price of burlap (10½ oz., 40 in.) was about 5 cents

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a yard. In July of the following year it had increased to slightly more than 7 cents, and in July 1941, the price had risen to almost 14 cents a yard, an increase of 180 percent over the 1939 price and 100 percent over the 1940 price. The price increase in this country has been due in part to higher prices in Calcutta, in part to higher shipping and insurance costs, and in part to an increase in the margin between what importers pay for burlap and what it is sold for in the form of bags.

In the face of these facts, the Office of Price Administration and Civilian Supply on August 16, 1941, established a ceiling $11\frac{1}{2}$ cents per yard for $10\frac{1}{2}$ ounce 40 inch burlap. At the same time assurance was given farmers and other domestic users of burlap that every effort consistent with existing conditions would be made to prevent speculation and to maintain burlap at fair prices.

While our cotton mills are operating at capacity on large defense orders, careful study is being given to methods of expanding the production of coarse cotton fabrics in order to insure adequate packaging materials in the event of a serious burlap shortage.

Regarding burlap bags, every user can help the situation by exercising the greatest possible conservation; that is, first, a more careful handling in order that bags may be re-used, and second, a return of the bags to dealers as quickly as possible.

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